

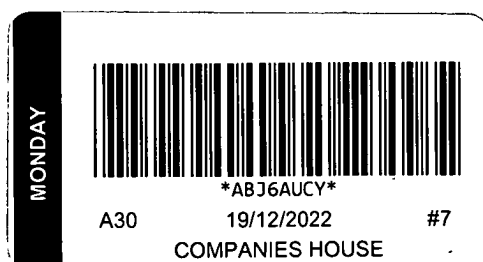
# Appleby Grammar School

(A Company Limited by Guarantee)

## Annual Report and Financial Statements

Year Ended 31 August 2022

Company Registration Number: 07698461  
(England & Wales)



# **Appleby Grammar School**

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**Reference and Administrative Details**

The Trustees, who are also directors for the purposes of company law, present their report and the financial statements of the company for the period ended 31 August 2022.

		<b>Appointed</b>	<b>Resigned</b>
<b>Members</b>	J Rostron* (Responsible Officer) HJ Taylor* M Stephenson D Watkinson*	22/03/2022	
<b>Directors</b>	J Rostron* (Responsible Officer) HJ Taylor* D Watkinson* D Anderton		31/08/2022
<b>Governors who are not directors</b>	A Birtles* B Broadhurst* P Burns (Staff Governor) D Cullen* (Staff Governor) S Davis M Eggleston D Harrison (Co-opted Governor) T Harrison * T Hobson* A McViety* D Robinson E Sargent* (Head and Accounting Officer) G Wright* (Staff Governor)	15/12/2021 15/12/2021 24/03/2022 15/12/2021	21/11/2022 30/06/2022 13/04/2022 12/07/2022 15/11/2022
	*Member of the Finance and Buildings Committee		
<b>Company Secretary</b>	J Dunham		
<b>Senior Management Team</b>			
• Head Teacher	E Sargent		
• Assistant Head	K Moore		
• Bursar	J Dunham		
<b>Company Name</b>	Appleby Grammar School		
<b>Principal and Registered Office</b>	Battlebarrow Appleby Cumbria CA16 6XU		
<b>Company Registration Number</b>	07698461		

**Reference and Administrative Details (continued)**

**Independent Auditor**

Saint and Co  
The Old Police Station  
Church Street  
Ambleside  
Cumbria  
LA22 0BT

**Bankers**

Barclays  
The Eden Valley and North Lakes Group  
Market Square  
Penrith  
Cumbria  
CA11 7YB

**Governors' Report**

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2021 to 31 August 2022. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in the Eden Valley. It has a pupil capacity of 657 and has on roll 379 in the school census on 7 October 2021.

**Structure, Governance and Management****Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Appleby Grammar School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Appleby Grammar School.

Details of the governors who served throughout the year, except as noted, are included in the Reference and Administrative details.

**Members' Liability**

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

**Governor's Indemnities**

In respect of the governors, the Academy Trust holds professional indemnity insurance via the Department of Education's risk protection arrangements. The limit of indemnity is disclosed in the notes to the accounts.

**Method of Recruitment and Appointment or Election of Governors**

In accordance with the Articles of Association, Appleby Grammar School's Governing Body comprises of the Headteacher, a minimum of two Parent Governors, up to three Staff Governors so long as the total number of staff governors including the Headteacher is no greater than one third of the total number of governors, and up to nine other governors. Currently, the governing body consists of eighteen members being:

- Six Parent Governors who are elected by the parents of the current students of Appleby Grammar School.
- Three Staff Governors who are appointed by the staff currently employed by the school.
- Five Member Governors, of which a minimum of two are appointed by the Appleby Grammar School Foundation.
- Three Co-opted Governors who are appointed by the governing body with regard to existing skills mix of the governors in order to ensure that the Board of Governors has the necessary skills to contribute fully to the Academy's development.
- The Headteacher is an ex-officio governor.

**Policies and Procedures Adopted for the Induction and Training of Governors.**

The Academy publishes a handbook for governors, which sets out all terms of references and responsibilities for members of the governing body. Governors have the opportunity to participate in an in-house Governor Development Programme, and also partake in joint training sessions with the South Lakes Federation. As there is expected to be only a limited number of new governors in any given year, induction programmes will be carried out informally and tailored to the individual's needs.

**Governors' Report (continued)****Organisational Structure**

The Board of Governors normally meets once each academic term. The board has established an overall framework for the governance of the Academy and agrees the membership of the committees and other panels which may meet. It monitors the work of the committees by receiving reports from the chairs, and through the minutes of their meetings. It also establishes the terms of reference for each committee. There are two committees, which each meet at least termly. These are as follows:

**Standards**

To initiate and review the school's Special Educational Needs Code of Practice, in consultation with the Headteacher and Learning Support Co-coordinator. To initiate and review the school's provision for students on the Gifted and Talented Register in consultation with the Headteacher and appropriate members of the Senior Leadership Team. To Review the school's inclusion policies and practices, and with particular reference to students' access to school visits. To keep under review policies relating to the employment, recruitment, selection, appointment, promotion, appraisal, grievance, discipline, redundancy and early retirement, remuneration and terms and conditions of employment of all staff. To recommend to the governing body any changes necessary to fulfil current employment legislation. To receive, consider and make recommendations to the governing body on the overall staffing provision of the school, including the management structure.

**Finance and Buildings Committee**

To consider the academy's indicative funding, notified annually by the ESFA, and to assess its implications for the Trust, in consultation with the Headteacher, and Bursar in advance of the financial year, drawing any matters of significance or concern to the attention of the Board. To consider and recommend acceptance/non-acceptance of the academy's budget, at the start of each financial year. To inform development of the Trusts strategic plans through financial decisions. To consider financial priorities and proposals, in consultation with the Headteacher & Bursar, with the stated and agreed aims and objectives of the academy. To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan. To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the academy, and with the financial regulations of the ESFA, drawing any matters of concern to the attention of the Board. To prepare the financial statement for filing in accordance with Companies House, ESFA and Charity Commission requirements. To make recommendations concerning the general condition, usage and development of the school site and buildings. To review the suite of finance related policies, including the Scheme of Delegation, and recommend to the Board for approval. To have oversight of Health and Safety requirements.

To receive auditors' reports and to recommend to the Board action as appropriate in response to the audit findings. To review the risks to internal financial control at the Trust. To review the Trust's Risk Register annually and recommend to the Board for approval. To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement. To consider all relevant reports relating to internal audits carried out and arrangements for their implementation. To agree a programme of work to address and provide assurance, if any financial risks are identified.

**Arrangements for setting pay and remuneration of key management personnel**

Pay and remuneration of the academy's key management personnel is set by a subcommittee of the Governors with support and guidance of an external consultant and reviewed annually. Pay scales are taken from the School Teachers Pay and Conditions document for teaching staff or from the Cumbria County Council job families pay and grading structure for support staff.

**Governors' Report (continued)****Connected Organisations, including Related Party Relationships*****Appleby Grammar School Foundation.***

Appleby Grammar School Foundation is a charity whose objects are for the public benefit to advance education through the provision of items, services and facilities for the school. The Foundation is the landlord to the academy, and has appointed four governors to the board.

***South Lakes Federation***

The South Lakes Federation is made up of nine schools, Kendal College and a special school predominantly based in the south of the county. There is close collaboration between all the schools in the federation providing opportunities for curriculum enrichment, staff development and support.

**Objectives and Activities****Objects and Aims**

The Academy Trust's object is specifically restricted to the provision for the public benefit education in the United Kingdom, by establishing and managing the school and promoting a broad and balanced curriculum for all students.

The aims of the academy are to provide students with:

- an education which will equip them with the skills and abilities that they will need to cope with life in an ever changing society;
- an awareness of the rights and needs of others to show respect and consideration and, when possible, to work actively to help members of our society who may be disadvantaged in any way.

We achieve these aims by offering each student the highest possible standards in terms of:

- academic progress and achievement;
- sixth form opportunities;
- moral, spiritual and physical development;
- security, support and care;
- standards of dress, behaviour and discipline;
- a well-resourced, wide and enriching curriculum;
- teaching commitment and expertise;
- educational and vocational guidance;
- opportunities for extra-curricular activities.

**Objectives, Strategies and Activities**

Key influences on the Academy Trust's Development Plan for the period under review were the significant challenges and opportunities arising from changes in educational policy and school funding.

The key activities and targets are detailed in the Action Plan. These include:

- To focus on improved expectations, challenges and aspiration for all students with an increased focus on specific groups of students including disadvantaged, SEND, boys and higher / lower attainers.
- To continue to develop subjects within the curriculum to ensure effective learning, sequencing and assessment
- To have a renewed focus on ensuring students are prepared for their next steps, having the skills and education to succeed and become good citizens
- To continue to focus on community engagement re-establishing the vision and direction of the school

## Governors' Report (continued)

### Public Benefit

Governors have given consideration to the charity commission's general guidance on public benefit and in particular to its supplementary guidance on education.

The Academy's objective is to advance for the public benefit education in this area, in particular, developing a school offering a broad and balanced curriculum which helps all students to fulfil their potential.

## Strategic Report

### Achievements and Performance

#### Summary of GCSE and A2 Results

GCSE	2019	2020	2021	2022
Overall attainment score	4.4	4.7	4.8	4.6
Overall Progress 8 score	-0.20	-0.08	-0.07	0.1
English Baccalaureate	33%	27%	11%	19%
Percentage gaining 4+ in English and maths	63%	70%	75%	73%
A Level	2019	2020	2021	2022
A*-C Pass Rate	72%	75%	82%	75%
A*-E Pass Rate	98%	100%	98%	95%
Points per Paper	34.4	34.8	39.3	34.7
Points per Candidate	101.2	88.9	93.5	95.0

#### Year 13 Leavers Destinations

In 2021, Year 13 leavers were successful in obtaining university places of their choice. This included students gaining places at Russell Group of Universities.

### Partnership

Appleby Grammar School continues to develop its partnership work with other schools, predominantly through its membership of the South Lakes Federation. This has included joint staff inset training days, joint governor training and school trio meetings.

### Key Financial Performance Indicators

#### Staff Costs as a percentage of Public / GAG income

	September 2018 to August 2019	September 2019 to August 2020	September 2020 to August 2021	September 2021 to August 2022
Teaching Staff	62%	58%	54%	53%
Administrative, Support and Site Staff	29%	26%	28%	28%

#### Teaching Staff

	September 2018 to August 2019	September 2019 to August 2020	September 2020 to August 2021	September 2021 to August 2022
Average Full Time Equivalents	24.1	21.8	19.7	18.0
Pupil Teacher Ratio	16.1	17.2	18.1	21.1



**Governors' Report (continued)****Going Concern**

After making appropriate enquiries, the governing body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**Financial Review****Financial Review**

The Academy Trust's accounting period is 01 September 2021 to 31 August 2022.

During the period under review, the majority of the Academy Trust's income was obtained from the DfE in the form of recurrent grants, the use of which was restricted to the Academy's educational activities. The grants received during the accounting period and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year, the school received total revenue funding of £2,304,861 of which £2,033,835 was from the DfE in the form of GAG funding (88%). Other significant revenue funding includes £73,463 from the Local Authority for educational statements and £29,457 generated by the school fund.

Revenue expenditure was £2,357,275, of which staffing is the main area of cost at £1,879,246. (80%)

The Academy benefited from additional COVID-19 funding totalling £13,240 to enable it to deliver a mass lateral flow testing programme during the year. These funds were used to provide staffing, cleaning resources and equipment to allow the testing to be undertaken safely

**Reserves Policy**

At the end of the period the governors were holding £171,358 in restricted general funds (GAG £121,984, school fund £49,374) and £5,434 in unrestricted funds, which are within DfE guidelines. The governing body review the level of reserves annually as part of its budget planning cycle, and aims to carry forward a prudent level of resources from General Annual Grant as a contingency for future unforeseen circumstances, and as contributions towards future capital improvement programmes.

The Governors have determined that the Academy should aim to have a minimum of £150,000 held in reserves, which is currently in line with the actual reserves held

**Funds in Deficit**

The Academy holds a deficit on the local government pension scheme of £687,000. In the event of the closure of the Academy, this deficit would be met by the DfE.

A deficit on the pension scheme would generally result in a cash flow effect for the academy trust in the form of an increase in employers' pension contributions over a period of years. The last actuarial valuation of the scheme was undertaken in March 2019.

**Investment Policy**

In a period of financial uncertainty and historically low interest rates, the Academy Trust's policy has been to maximise liquidity and minimise risk. This policy will be kept under review.

**Governors' Report (continued)****Principal Risks and Uncertainties**

The principal risks to the Academy are financial and result from the projected deficit on the Local Government Pension Scheme, and from the proposed changes to the funding formulas. The Academy is operating in a period of considerable financial uncertainty with regard to public funding. Long term financial planning is focused on maintaining the breadth and quality of the school's curriculum.

Under Financial Reporting Standard 17, it is necessary to charge projected deficits on the Local Government Pension Scheme to a restricted fund within the accounts. This results in reducing the reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any liquidity problems.

The academy has made contingency plans for dealing with expected reductions in pupil numbers resulting from demographic changes within our primary feeder schools. This has included a comprehensive curriculum review of future provision to ensure the curriculum on offer at the academy is of high quality, appropriate for students needs and sustainable in the long term.

The Academy Trust's activities expose it primarily to cash flow risks. The governing body continually monitors cash flow to ensure that the Academy has sufficient funds available to meet debts as they fall due. The governors maintain significant cash reserves at all times.

**Financial and Risk Management Objectives and Policies**

The governors are responsible for the management of the risks the Academy is exposed, and have undertaken a review of risks associated with its activities. The major risks that have been identified are recorded on the Academy's Risk Register, and procedures have put in place to manage the risk. The key controls used by the Academy include:

- Formal agendas for all governor meetings;
- Detailed terms of reference for all committees;
- A clear development plan identifying key strategic planning objectives;
- Comprehensive financial planning and monitoring;
- Formal written policies reviewed on a regular basis;
- Rigorous review of educational achievement to ensure high standards.

The Board of Governors are satisfied that the major risks identified have adequate control measures in place to manage the risks.

**Principal Funding Sources**

The majority of the academy's income is obtained from the Education and Skills Funding Agency (ESFA) and the Local Authority in the form of grants, the use of which is restricted to particular purposes.

**Fundraising**

The academy does not engage with professional fundraisers to undertake any fundraising activities on its behalf. The academy from time to time does a minor level fundraising activities to raise funds for the academy whereby students seek voluntary donations from parents and the local community.

**Governors' Report (continued)****Plans for Future Periods**

The school plans to maintain a clear focus on raising pupil achievement and improving teaching and learning. Financial planning will focus on maintaining the breadth and quality of the current curriculum offer. Specific plans include the following:

- To focus on improved expectation, challenge and aspiration for all students with an increased focus on specific groups of students including disadvantaged and SEND.
- To ensure a consistent approach to behaviour management, promoting the highest expectations of behaviour for learning in all lessons and at social times.
- To continue to develop subjects within the curriculum to ensure effective learning, with a specific focus on assessment strategies to ensure errors are identified and learning builds on what students already know.
- To continue to ensure that students are prepared for their next steps, having the skills and education to succeed and become good citizens within and beyond our rural community.

The Trust has been selected to be within the second set of 50 schools to be part of the DfE Schools Rebuilding Programme. This is expected to entail a significant rebuilding and refurbishment programme at the school.

**Funds Held on Behalf of Others**

The Academy acts as an intermediary for the following administered projects, but has no responsibility for them. These are:

- 16-19 Bursary Fund. The academy trust distributes 16-19 bursary funds to students as an agent for ESFA.
- The Rural Academy of Cumbria. This group facilitates close collaboration between seven small secondary schools spread across Cumbria.

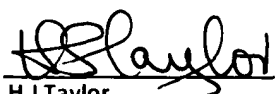
In each instance, the Academy acts as a banking agent for the funds but has no responsibility for them.

**Auditor**

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware: and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Governors' report, incorporating a strategic report, was approved by the Governors and signed on its behalf by:



H J Taylor  
Chair of Governors

12/12/22

Date

## Governance Statement

### Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Appleby Grammar School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

As governors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The governing body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Appleby Grammar School and the Secretary of State for Education.

The Accounting Officer is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities.

The **Governing Body** has formally met four times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
D Anderton	3	4
A Birtles	4	4
B Broadhurst	1	4
P Burns	1	3
D Cullen	4	4
S Davis	2	3
M Eggleston	1	2
D Harrison	3	4
T Harrison	2	2
T Hobson	0	2
A McViety	4	4
D Robinson	2	4
J Rostron	3	4
E Sargent	4	4
H Taylor	3	4
D Watkinson	3	4
G Wright	4	4

### Board of Trustees work, performance and changes in composition

The board has met less than six times a year. It maintained effective oversight of funds by the input from the Finance and Buildings Committee and by regular written communication from the Head.

The Governing Body continues to offer an appropriate balance between support and challenge to the academy as recognised by the latest Ofsted inspection report (April 2022). During the year the Governors undertook an external review of governance in conjunction with the National Governance Association. Governors monitored the implementation and impact of a new development plan, which builds upon the latest Ofsted inspection.

During the year, the Governing body was strengthened by the appointment of two new governors by the members. These governors were brought onto the board to address identified weaker areas of expertise. The number of Members was also increased from three to four.

The Board currently carries a number of vacancies and Governors, as a priority, will be looking to fill these vacancies over the course of the coming year.

## Governance Statement (continued)

### *Conflicts of interest*

The Trust has set in place procedures to manage conflicts of interest, which include maintaining a complete and up to date register of business interests. Trustees are invited at every meeting to review their entry and amend it if necessary.

### *Governance Review*

During year, Governors have undertaken an external evaluation of governance in conjunction with the National Governance Association. This has resulted in an agreed action plan. The main areas for action were highlighted as:

- The removal of the overlap between Members and Trustees
- To review the number of staff governors who sit on the board
- To review the potential benefits from forming or joining a MAT
- To better define the clerking arrangements

This action plan will be kept under review during the 2022/23 financial year.

The **Finance and Buildings Committee** is a sub-committee of the main Governing Body. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. To achieve this, it makes appropriate comments and recommendations on such matters to the governing body on a regular basis.

Attendance at meetings in the year was as follows:

Governor	Meetings	Out of a
A Birtles	4	5
B Broadhurst	1	5
D Cullen	4	5
T Harrison	3	3
T Hobson	3	3
A McViety	4	5
J Rostron	5	5
E Sargent	5	5
J Taylor	5	5
D Watkinson	4	5
G Wright	2	5

The Finance and Buildings sub-committee also acts as the Audit and Risk committee in having oversight of the Trusts Governance, Risk Management and control frameworks.

**Governance Statement (continued)****Review of Value for Money**

As accounting officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- The school producing a strong set of 'A' Level results, which has allowed all students to access the higher education institution of their choice.
- The progress made by GCSE students from their starting point at the end of year 6 has maintained the improvement from last year, and currently shows a positive Progress 8 score
- As a high proportion of the schools revenue expenditure is spent on teaching staff, the school undertakes an annual review of its curriculum offer and its staffing requirements to ensure it is appropriate for the size of school.
- The school was graded good in its last Ofsted inspection report in April 2022

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Appleby Grammar School for the period 01 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The governing body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

**The Risk and Control Framework**

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the Finance and Buildings Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

## Governance Statement (continued)

### Internal Scrutiny

The Governing Body has considered the need for a specific internal audit function and has decided to appoint Armstrong Watson, an experienced firm of auditors, to conduct a yearly internal audit of financial controls to evaluate the systems in place and evaluate the suitability of, and level of compliance with the internal systems of control.

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase and income systems
- testing of control account/ bank reconciliations

Trustees approved the decision to establish a peer review by the Chief Financial Officer from another academy trust in the South Lakes Federation of Schools of the risk management and non-financial controls. Trustees have appointed Sally McAllister, the CFO of Kirkby Stephen Grammar School to perform this role.

The auditors report to the Governing Body on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditors have delivered their schedule of works as planned and any recommendations have been considered.

### Review of Effectiveness

As accounting officer, the Head has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

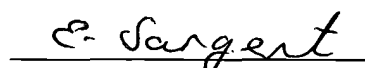
- the work of the internal auditor;
- the work of the peer reviewer;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Buildings Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body and signed on its behalf by:



H J Taylor  
Chair of Governors



E Sargent  
Accounting Officer

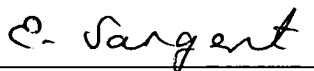
12/12/22 Date

**Statement on Regularity, Propriety and Compliance**

As accounting officer of Appleby Grammar School I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2021.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



**E Sargent**  
**Accounting Officer**

12/12/22 Date



## Statement of Governors' Responsibilities

The governors (who act as trustees of Appleby Grammar School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to:

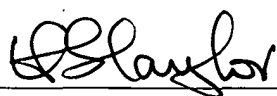
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body and signed on its behalf by:



H J Taylor  
Chair of Governors

12/12/22

Date

**Independent Auditor's Report on the Financial Statements to the Members of Appleby Grammar School****Opinion**

We have audited the financial statements of Appleby Grammar School for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2021 to 2022.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Appleby Grammar School's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. It includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Independent Auditor's Report on the Financial Statements to the Members of Appleby Grammar School  
(continued)****Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Statement of Trustee's Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## **Independent Auditor's Report on the Financial Statements to the Members of Appleby Grammar School (continued)**

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud and non-compliance with laws and regulations, is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- To address the risk of fraud through management bias and override of controls, we:
  - performed analytical procedures to identify any unusual or unexpected relationships;
  - tested journal entries to identify unusual transactions;
  - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
  - investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

**Independent Auditor's Report on the Financial Statements to the Members of Appleby Grammar School  
(continued)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Darren Little (Senior Statutory Auditor)

For and on behalf of

Saint & Co  
Chartered Accountants & Statutory Auditors  
The Old Police Station  
Church Street  
Ambleside  
Cumbria  
LA22 0BT

12 December 2022 Date

**Independent Reporting Accountant's Assurance Report on Regularity to Appleby Grammar School and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 15/08/2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Appleby Grammar School during the period 01 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

**Respective Responsibilities of the Appleby Grammar School's Accounting Officer and the Reporting Accountant**

The Accounting Officer is responsible, under the requirement of the Appleby Grammar School's funding agreement with the Secretary of State for Education dated 21 July 2011 and the Academies Financial Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 01 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- the school resource management self-assessment checklist (SRMSAT) was obtained and considered;
- responses to the top 10 'musts' for chairs and other trustees from the AFH was obtained and considered;
- having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- reviewing if extra-contractual severance payments have been made in accordance with the Handbook;
- reviewing if borrowing agreements, including leases to ensure they have been made in accordance with the Handbook;
- reviewing the minutes of the meeting of the main committees during the year;
- reviewing expenditure to check that it was not ultra vires to the charitable objectives;
- obtaining trustee / governors' declaration of interests;
- where present obtaining the accounting officer's file.

**Independent Reporting Accountant's Assurance Report on Regularity to Appleby Grammar School and the Education and Skills Funding Agency (continued)**

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 01 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Use of our report**

This report is made solely to Appleby Grammar School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Appleby Grammar School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Appleby Grammar School and ESFA, for our work, for this report, or for the conclusion we have formed.



Darren Little (Reporting Accountant)

For and on behalf of

Saint & Co  
Chartered Accountants & Statutory Auditors  
The Old Police Station  
Church Street  
Ambleside  
Cumbria  
LA22 0BT

12 December 2022 Date

Statement of Financial Activities for the Year Ended 31 August 2022

(Including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2022 £	Total 2021 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	8,884	4,030	12,914	25,190
Charitable activities						
Funding for the Academy trust's educational operations	3	6,285	2,289,486	-	2,295,771	2,318,104
Other trading activities	4	-	-	-	-	(18,200)
Investments	5	206	-	-	206	322
<b>Total</b>		<u>6,491</u>	<u>2,298,370</u>	<u>4,030</u>	<u>2,308,891</u>	<u>2,325,416</u>
<b>Expenditure on:</b>						
Charitable activities						
Academy trust educational operations	8	2,299	2,354,976	123,945	2,481,220	2,621,969
Other trading activities	7	-	-	-	-	-
<b>Total</b>	6	<u>2,299</u>	<u>2,354,976</u>	<u>123,945</u>	<u>2,481,220</u>	<u>2,621,969</u>
<b>Net income / (expenditure)</b>		4,192	(56,606)	(119,915)	(172,329)	(296,553)
<b>Transfers between funds</b>	10	(5,217)	5,217	-	-	-
<b>Other recognised gains and (losses)</b>						
Actuarial (losses) / gains on defined benefit pension schemes	22	-	1,733,000	-	1,733,000	-
<b>Net movement in funds</b>		<u>(1,025)</u>	<u>1,681,611</u>	<u>(119,915)</u>	<u>1,560,671</u>	<u>(296,553)</u>
<b>Reconciliation of funds</b>						
Total funds brought forward	17	6,459	(2,197,253)	4,669,913	2,479,119	2,775,672
<b>Total funds carried forward</b>	17	<u>5,434</u>	<u>(515,642)</u>	<u>4,549,998</u>	<u>4,039,790</u>	<u>2,479,119</u>

All of the academy's activities derive from continuing operations during the above two financial periods.



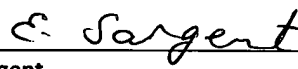
Balance Sheet as at 31 August 2022

Company Number 07698461

	Note	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible assets	13		4,538,718		4,634,027
Investments			-		-
			<u>4,538,718</u>		<u>4,634,027</u>
<b>Current assets</b>					
Stock	14	4,236		4,371	
Debtors	15	170,262		360,379	
Cash at bank and in hand		<u>223,853</u>		<u>245,199</u>	
		398,351		609,949	
<b>Liabilities</b>					
Creditors: Amount falling due within one year	16	<u>(210,279)</u>		<u>(420,857)</u>	
<b>Net current assets</b>			<u>188,072</u>		<u>189,092</u>
<b>Total assets less current liabilities</b>			4,726,790		4,823,119
<b>Provision for liabilities</b>					
Defined benefit pension scheme liability	22		<u>(687,000)</u>		<u>(2,344,000)</u>
<b>Total net assets</b>			<u>4,039,790</u>		<u>2,479,119</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset funds	17	4,549,998		4,669,913	
Restricted income funds	17	171,358		146,747	
Pension reserve	17,22	<u>(687,000)</u>		<u>(2,344,000)</u>	
<b>Total restricted funds</b>	17		4,034,356		2,472,660
<b>Unrestricted income funds</b>					
General fund	17	<u>5,434</u>		<u>6,459</u>	
<b>Total unrestricted funds</b>			5,434		6,459
<b>Total funds</b>			<u>4,039,790</u>		<u>2,479,119</u>

The financial statements were approved by the trustees, and authorised for issue on 12 December 2022 and signed on their behalf by:

  
H J Taylor  
Chair of Governors

  
E Sargent  
Accounting Officer

Statement of Cash Flows for the Year Ended 31 August 2022

	2022 £	2021 £			
<b>Reconciliation of net income / (expenditure) to net cash flow from operating activities</b>					
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(172,329)	(296,553)			
<i>Adjusted for:</i>					
Depreciation	106,294	109,409			
Capital grants from DfE/ESFA and other capital income	(4,030)	(10,626)			
Other government capital grants	-	(4,146)			
Capital donations	-	-			
Interest receivable	(206)	(322)			
Defined benefit pension scheme costs less contributions payable	34,000	16,000			
Defined benefit pension scheme net pension finance costs	42,000	43,000			
Decrease/(Increase)Increase in stocks	135	457			
Decrease/(Increase) in debtors	190,117	19,048			
Increase/(Decrease) in creditors	(210,578)	164,445			
<b>Net cash provided by / (used in) Operating Activities</b>	<b>(14,597)</b>	<b>40,712</b>			
<b>Cash flows from financing activities</b>					
Repayments of borrowing	-	-			
Cash inflows from new borrowing	-	-			
<b>Net cash provided by / (used in) financing activities</b>	<b>-</b>	<b>-</b>			
<b>Cash flows from investing activities</b>					
Interest receivable	206	322			
Proceeds from sale of tangible fixed assets	-	-			
Purchase of tangible fixed assets	(10,985)	(9,637)			
Capital grants from DfE/ESFA and other capital income	4,030	10,626			
Other government capital grants	-	4,146			
Capital donations	-	-			
<b>Net cash provided by / (used in) investing activities</b>	<b>(6,749)</b>	<b>5,457</b>			
<b>Change in cash and cash equivalents in the reporting period</b>	<b>(21,346)</b>	<b>46,169</b>			
<b>Reconciliation of net cash flow to movement in net funds</b>					
<b>Cash and cash equivalents at 1 September 2021</b>	<b>245,199</b>	<b>199,030</b>			
Change in cash and cash equivalents in the reporting period	(21,346)	46,169			
<b>Cash and cash equivalents at 31 August 2022</b>	<b>223,853</b>	<b>245,199</b>			
<b>Analysis of cash and cash equivalents</b>	<b>1 Sep 21 £</b>	<b>Cash flows £</b>	<b>31 Aug 22 £</b>		
Cash in hand and at bank	245,199	(21,346)	223,853		
<b>Total cash and cash equivalents</b>	<b>245,199</b>	<b>(21,346)</b>	<b>223,853</b>		
<b>Analysis of changes in net debt</b>	<b>1 Sep 21 £</b>	<b>Cash flows £</b>	<b>New agreements £</b>	<b>Other non- cash changes £</b>	<b>31 Aug 22 £</b>
Cash	245,199	(21,346)	-	-	223,853
Loans falling due within one year	-	-	-	-	-
Loans falling due after more than a year	-	-	-	-	-
Finance lease obligations	-	-	-	-	-
<b>Total</b>	<b>245,199</b>	<b>(21,346)</b>	<b>-</b>	<b>-</b>	<b>223,853</b>

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 1. Statement of Accounting Policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

#### Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### Going Concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Incoming Resources

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

- General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.
- Other government grants are also recognised on a receivable basis. For all grants the balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.
- Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.
- Donations, legacies and other forms of voluntary income are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.
- Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1. Statement of Accounting Policies (Continued)

- Donated goods, facilities and services. Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

#### Deferred Income

Grants and other funding received for the academy's educational activities for a period spanning the year end are deferred pro-rata to the relevant periods in order to match the funding to the period in which the costs of charitable activities are incurred.

#### Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust uses up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

The funds received and paid and any balances held are disclosed in the agency arrangements note. The unused funds at the period end are included as a liability in the balance sheet in other creditors.

#### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

- Charitable Activities - These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1. Statement of Accounting Policies (Continued)

#### Tangible Fixed Assets

Assets are carried at valuation/cost, net of depreciation and any provision for impairment.

The capitalisation policy of items as tangible fixed assets is as follows:

- Information, communications and technology assets - assets costing £300 or more (multiple assets regardless of value are included if collectively purchased for over £5,000)
- Fixtures, fittings and equipment and leasehold buildings improvements - single items costing £500 or more

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets transferred on conversion to Academy status have been included in the accounts at valuation.

#### Depreciation

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line/reducing balance basis over its expected useful life, as follows:

- Leasehold buildings - straight line over economic life (ranging from 22 to 64 years)
- Information communications & technology equipment - 3 years straight line
- Furniture fittings & equipment - 10 years straight line

All tangible fixed assets have been depreciated for 12 months, including those purchased during the year, except:

- Depreciation is not charged on assets under construction until assets are brought into use.
- Leasehold land is depreciated over the term of the lease, namely 125 years

Assets are depreciated in full in the year of purchase.

The total depreciation charge is allocated to teaching costs and administration and support costs pro-rata to the number of employees.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

**Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)****1. Statement of Accounting Policies (Continued)****Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**Leased Assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Financial Instruments**

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in the notes. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

**Stocks**

Stocks are valued at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1. Statement of Accounting Policies (Continued)

#### Pension Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

#### Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multiemployer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

#### Local Government Pension Scheme

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1. Statement of Accounting Policies (Continued)

#### Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the governors.

School funds that are not otherwise restricted are designated within unrestricted funds.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise grants, including the General Annual Grant (GAG), and other funding for educational purposes and any voluntary income to be used for specific purposes.

The Local Government Pension Scheme deficit is recognised against restricted general funds in order to match it against the GAG, in accordance with Education and Skills Funding Agency guidance.

Details of restricted and unrestricted funds are shown in the notes to the financial statements.

#### Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Critical accounting estimates, assumptions and judgements*

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the notes, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- The annual depreciation charge is sensitive to the estimated useful economic lives of property. The useful economic lives of property, plant and equipment is initially based on the professional valuers report using their judgement and experience. The useful economic lives are assessed annually and changed when necessary to reflect current thinking on their remaining lives.



Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

2. Donations and Capital Grants

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total 2022	Total 2021
	£	£	£	£	£
ESFA - Capital Grant	-	-	4,030	4,030	10,626
Other Government - Capital grants	-	-	-	-	4,146
Other - Capital grants	-	-	-	-	-
Donations from Appleby Grammar School Foundation	-	-	-	-	-
Miscellaneous donations	-	4,394	-	4,394	4,118
Gifts in kind	-	4,490	-	4,490	6,300
	-	8,884	4,030	12,914	25,190
<b>2021 total</b>	-	10,418	14,772	25,190	

3. Funding for Academy's educational operations

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
<b>DfE/ESFA Grants</b>				
General Annual Grant (GAG)	-	2,033,835	2,033,835	2,019,492
Other DfE/ESFA grants				
Pupil premium	-	51,344	51,344	48,634
Teachers pay grant	-	2,894	2,894	25,613
Teachers pension grant	-	8,177	8,177	72,376
Schools supplementary grant	-	24,248	24,248	-
Other DfE/ESFA grants	-	11,453	11,453	18,129
Other DfE Group grants	-	-	-	-
	-	2,131,951	2,131,951	2,184,244
<b>Other Government Grants</b>				
LA funded statements	-	73,463	73,463	57,236
Other government grants	-	13,797	13,797	7,634
	-	87,260	87,260	64,870
<b>Exceptional government funding</b>				
COVID-19 additional funding (ESFA/DfE)				
Catchup premium	-	-	-	24,960
National tutoring programme	-	6,912	6,912	-
Recovery premium grant	-	7,069	7,069	-
Coronavirus exceptional support	-	-	-	4,320
COVID-19 additional funding (non - ESFA/DfE)				
Mass testing funding	-	14,718	14,718	13,240
Other COVID-19 funding	-	-	-	-
	-	28,699	28,699	42,520
<b>Catering</b>	-	-	-	-
<b>School fund and trips income</b>	1,215	28,242	29,457	16,376
<b>Other educational income</b>	5,070	13,334	18,404	10,094
	6,285	2,289,486	2,295,771	2,318,104
<b>2021 total</b>	2,007	2,316,097	2,318,104	

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

**Exceptional government funding**

*The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".*

The academy received £6,912 in respect of the National tutoring programme. This has been used to cover bought in support to provide focused tutoring intervention to support catch-up for lost education due to the Covid-19 pandemic.

The academy received £7,069 in respect of the Recovery Premium Grant. This has been used to cover internal staffing costs, resources and additional support costs to help deliver support for disadvantaged pupils.

The academy received £14,718 in respect of mass testing. This has been used to fund the cost of staffing to perform mass testing and the cost of additional associated cleaning materials.

<b>4. Other Trading Activities</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Hire of facilities - lettings	-	-	-	-
Risk protection arrangement claims	-	-	-	(18,200)
Other trading activities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,200)</u>
<b>2021 total</b>	<u>(18,200)</u>	<u>-</u>	<u>(18,200)</u>	
<b>5. Investment Income</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Bank interest receivable	147	-	147	288
Bank interest receivable - school fund	59	-	59	34
Other interest receivable	-	-	-	-
	<u>206</u>	<u>-</u>	<u>206</u>	<u>322</u>
<b>2021 total</b>	<u>322</u>	<u>-</u>	<u>322</u>	

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

6. Expenditure	Staff Costs £	Non Pay Premises £	Expenditure Other Costs £	Total 2022 £	Total 2021 £
Cost of other trading activities	-	-	-	-	-
Academy's educational operations					
Direct costs	1,527,223	-	150,832	1,678,055	1,712,258
Allocated support costs	352,023	224,495	226,647	803,165	909,711
	<u>1,879,246</u>	<u>224,495</u>	<u>377,479</u>	<u>2,481,220</u>	<u>2,621,969</u>
	<u>1,879,246</u>	<u>224,495</u>	<u>377,479</u>	<u>2,481,220</u>	<u>2,621,969</u>
<b>2021 total</b>	<u>1,904,137</u>	<u>185,433</u>	<u>532,399</u>	<u>2,621,969</u>	
				<b>2022</b>	<b>2021</b>
				<b>£</b>	<b>£</b>
<b>Net income/(expenditure) for the period includes:</b>					
Depreciation				106,294	109,409
(Gain)/loss on disposal of fixed assets				-	-
Operating leases				4,068	4,068
Fees payable to current auditor					
- audit of the financial statements				6,225	6,025
- other assurance services				1,605	1,560
- other services				<u>5,710</u>	<u>5,495</u>

7. Cost of Other Trading activities	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Other trading expenses	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>2021 total</b>	<u>-</u>	<u>-</u>	<u>-</u>	

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

8. Charitable Activities	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
<b>Direct Costs - educational operations</b>				
Teaching and educational support staff costs	-	1,527,223	1,527,223	1,584,591
Depreciation	-	54,919	54,919	56,414
Educational supplies	-	41,186	41,186	26,176
Staff development	-	700	700	1,584
Examination fees	-	24,699	24,699	23,931
External course costs	-	14,625	14,625	5,907
Other direct costs	-	14,703	14,703	13,655
	-	1,678,055	1,678,055	1,712,258
<b>Support Costs - educational operations</b>				
Support staff costs	-	352,023	352,023	319,546
Depreciation	-	51,375	51,375	52,995
Maintenance of premises and equipment	-	52,075	52,075	36,986
Maintenance of premises and equipment - CIF	-	9,042	9,042	236,024
Professional Fees	-	14,313	14,313	14,010
Cleaning	-	2,420	2,420	5,031
Rates and water	-	31,571	31,571	32,060
Heat and light	-	80,099	80,099	50,542
Insurance	-	6,955	6,955	7,819
Transport	-	3,351	3,351	6,165
Catering expenses	-	20,082	20,082	17,922
Technology costs	-	44,403	44,403	43,867
Hire of sports centre	-	16,000	16,000	3,000
School Fund trips & activities	2,299	34,046	36,345	3,905
Bad debt expense	-	2,483	2,483	-
Other support costs	-	22,670	22,670	20,030
	2,299	742,908	745,207	849,902
<b>Support Costs - governance</b>				
Audit fees	-	6,225	6,225	6,025
Accountancy and assurance fees	-	9,165	9,165	9,055
Trustees' training and expenses	-	-	-	-
Legal fees	-	18	18	1,203
Professional fees	-	550	550	526
Net finance costs in respect of defined benefit pension schemes	-	42,000	42,000	43,000
	-	57,958	57,958	59,809
<b>Total direct and support costs</b>	2,299	2,478,921	2,481,220	2,621,969
<b>2021 total</b>	1,000	2,620,969	2,621,969	

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Total 2022 £	Individual items above £5,000 Amount	Reason
Unrecoverable debts	2,153		Amount owed treated as part of wages advances
Unrecoverable debts	330		Amount owed treated as part of childcare vouchers purchased

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

9. Staff

a. Staff costs

	2022	2021
	£	£
Staff costs during the period were:		
Wages and salaries	1,339,289	1,361,390
Social security costs	123,854	125,165
Operating costs of defined benefit pension schemes	385,788	380,470
Apprenticeship levy	-	-
	<u>1,848,931</u>	<u>1,867,025</u>
Supply staff costs	39,980	27,994
Staff restructuring costs	-	19,068
Staff seconded in / out of the organisation	(9,665)	(9,950)
	<u>1,879,246</u>	<u>1,904,137</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	-	19,068
Other restructuring costs	-	-
	<u>-</u>	<u>19,068</u>

Other pension costs includes the following:

	2022	2021
	£	£
Premature Retirement Teachers Pension Scheme payments	459	2,587
Premature Retirement Local Government Pension Scheme payments		
Local Government Pension Scheme deficit recovery	63,525	62,025

b. Severance payments

The academy trust paid no severance payments in the year, disclosed in the following bands:

	2022
	No
0 - £25,000	-
£25,001 - £50,000	-
£50,001 - £100,000	-
£100,001 - £150,000	-
£150,000+	-
	<u>-</u>

c. Special staff severance payments - Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2021: £9,800). Individually, the payments were £Nil. (2021: £7,500 and £2,300)

d. Staff numbers

The average number of persons employed by the academy during the period was as follows:

	2022	2021
	No	No
<b>Charitable Activities</b>		
Management	2	2
Teachers	29	31
Administration and support	29	31
	<u>60</u>	<u>64</u>

**Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

**e. Higher paid staff**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022 No	2021 No
£70,000 to £74,999	1	1
£80,000 to £84,999		
	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2022 the employer's pension contributions in respect of this employee amounted to £17,167 (2021: £17,167).

**f. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was:

	2022 £	2021 £
Senior Management Team	246,045	269,261
Staff Governors	144,975	107,621
	<u>391,020</u>	<u>376,882</u>

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

10. Transfers Between Funds

2022  
£

**Restricted general funds**

General Annual Grant (GAG)

From unrestricted general funds as detailed below	5,217
Contributions from school funds & trips to cover supply costs incurred by GAG	-
Unrestricted School funds and trips transfer to cover GAG deficit	-
To capital projects during the year	-

5,217

School Funds & Trips

Contributions from school funds & trips to cover supply costs incurred by GAG	-
School funds and trips overspends covered by unrestricted school funds	-

5,217

**Restricted fixed asset funds**

Fixed assets used for charitable purposes

Purchases from ESFA formula grant	7,780
Purchases from capital donations	3,205

10,985

ESFA formula grant to Fixed assets fund

Purchases of fixed assets used for charitable purposes	(7,780)
Conditions Improvement Fund project contribution from Formula Capital	-

(7,780)

Condition improvement grant funds

Conditions Improvement Fund project contribution from Formula Capital	-
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Other capital donations

Purchase of fixed assets used for charitable purposes	(3,205)
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(3,205)

**Unrestricted Funds**

Unrestricted general funds

Music tuition fees to GAG to cover costs not allocated in resources expended	(5,070)
Lettings income to GAG to cover costs not allocated in resources expended	-
RPA Insurance claim reversed re water costs	-
Bank interest and loyalty reward to GAG	(147)

(5,217)

Unrestricted School Funds & Trips

Unrestricted School funds and trips transfer to cover GAG deficit	-
School funds and trips overspends covered by unrestricted school funds	-

(5,217)

**Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

**11. Related Party Transactions – Governors’ remuneration and expenses**

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors.

The value of governors' remuneration and other benefits for the period was as follows:

<b>E Sargent (principal and governor)</b>		
Remuneration	£70,000 to £74,999	(2021: £70,000 to £74,999)
Employer's pension contributions	£15,000 to £19,999	(2021: £15,000 to £19,999 )
<b>G Wright (staff governor)</b>		
Remuneration	£50,000 to £54,999	(2021: £50,000 to £54,999)
Employer's pension contributions	£10,000 to £14,999	(2021: £10,000 to £14,999)
<b>P Burns (staff governor) - resigned 30/06/22</b>		
Remuneration	£5,000 to £9,999	(2021: £10,000 to £14,999)
Employer's pension contributions	£0 to £4,999	(2021: £0 to £4,999)
<b>D Cullen (staff governor) - appointed 25/03/21</b>		
Remuneration	£45,000 to £49,999	(2021: £15,000 to £19,999 )
Employer's pension contributions	£10,000 to £14,999	(2021: £0 to £4,999)

During the year ended 31 August 2022, travel and subsistence expenses totalling £Nil were reimbursed to no governors in respect of their role as a governor (2021: £Nil to no governors). There are payments made to staff governors in relation to their teaching roles which are not disclosed here.

**12. Governors and officers insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims for negligent acts, errors or omissions occurring whilst on academy business. The insurance for the year ended 31 August 2022 provides cover up to £10,000,000 (2021: £10,000,000) on any one loss and any one membership year.

The academy's insurance is via the Department for Education's risk protection arrangement (RPA) and the cost of this insurance is included in the total insurance cost. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme membership.



Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

13. Tangible Fixed Assets	Long Leasehold Land & Buildings £	Freehold Land & Buildings £	Furniture Fittings & Equipment £	ICT Equipment £	Total £
<b>Cost</b>					
As at 1 September 2021	5,177,737	212,250	314,447	24,340	5,728,774
Additions	-	-	8,125	2,860	10,985
Disposals	-	-	-	(7,732)	(7,732)
As at 31 August 2022	<u>5,177,737</u>	<u>212,250</u>	<u>322,572</u>	<u>19,468</u>	<u>5,732,027</u>
<b>Depreciation</b>					
As at 1 September 2021	832,457	-	243,655	18,635	1,094,747
Charge in year	79,893	-	21,982	4,419	106,294
Disposals	-	-	-	(7,732)	(7,732)
As at 31 August 2022	<u>912,350</u>	<u>-</u>	<u>265,637</u>	<u>15,322</u>	<u>1,193,309</u>
<b>Net book values</b>					
As at 31 August 2022	<u>4,265,387</u>	<u>212,250</u>	<u>56,935</u>	<u>4,146</u>	<u>4,538,718</u>
As at 1 September 2021	<u>4,345,280</u>	<u>212,250</u>	<u>70,792</u>	<u>5,705</u>	<u>4,634,027</u>

**School Rebuilding Programme**

The School Rebuilding Programme carries out major rebuilding and refurbishment projects at school and sixth form college buildings across England, with buildings prioritised according to their condition. Appleby Grammar School was selected within the second set of 50 schools in July 2021. At the balance sheet date an initial consultation had been undertaken with the DfE and once the scope of the works to be undertaken has been confirmed the governors will reduce the useful economic life of the relevant buildings as appropriate.

**Valuation Details**

The leasehold land and buildings (including integral service installations) and the freehold land were valued at £5,177,737 and £212,250 respectively as at 1 August 2011 by Duncan Young RICS Registered Valuer, who is independent of the charitable company. The basis of valuation for the assets was Existing Use Value using a Depreciated Replacement Cost approach.

**Appleby Sports Centre**

Appleby Sports Centre is situated on freehold land which is owned by Appleby Grammar School. The sports facility was built before the school converted to an academy and is operated by Appleby Sports Centre (registered charity number 1125895). Appleby Sports Centre do not pay rent to the academy for the occupation of the freehold land. The Academy pays a rent to Appleby Sports Centre for the use of the sports facility on a year to year basis. There is a hire agreement in place on a yearly basis and therefore the asset has not been capitalised as leasehold property on the Academy's balance sheet.

**ESFA Condition Improvement Fund - Window replacement and Electrical upgrade**

During the year the academy incurred significant expenditure on the replacement of windows and an electrical upgrade project which were funded by ESFA Condition Improvement Fund grants. The full cost of these project has been treated as resources expended in the Statement of Financial Activities and is included in maintenance of premises and equipment - CIF.

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

14. Stock	2022	2021
	£	£
Stationery	1,700	2,500
Cleaning	200	200
Heating Oil	1,800	1,000
School Ties	536	671
	<u>4,236</u>	<u>4,371</u>

15. Debtors	2022	2021
	£	£
Trade debtors	400	166
VAT recoverable	29,735	47,346
Prepayments	62,277	29,896
Accrued income	72,710	275,127
Other debtors	5,140	7,844
	<u>170,262</u>	<u>360,379</u>

16. Creditors: Amounts falling due within one year	2022	2021
	£	£
Trade creditors	52,970	218,332
Taxation and social security	30,990	25,655
ESFA Creditor	5,933	5,111
Sundry creditors	47,223	44,987
Accruals	44,454	119,255
Deferred income	28,709	7,517
	<u>210,279</u>	<u>420,857</u>

Deferred Income	2022	2021
	£	£
Accruals and deferred income includes:		
Deferred income at 1 September 2021	7,517	39,766
Resources deferred in the year	28,709	7,517
Amounts released from previous years	(7,517)	(39,766)
Deferred income at 31 August 2022	<u>28,709</u>	<u>7,517</u>

Deferred income comprises:	
School funds income for future trips	27,618
SEN income for 1 September 2022 to 31 March 2023	1,091
	<u>28,709</u>

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

17. Funds	Balance at 01-Sep 2021 £	Incoming resources £	Resources expended £	Gains, Losses and Transfers £	Balance at 31-Aug 2022 £
<b>Restricted General Funds</b>					
General Annual Grant (GAG)	90,066	2,033,835	(2,007,134)	5,217	121,984
Pupil premium	-	51,344	(51,344)	-	-
Teachers pay grant	-	2,894	(2,894)	-	-
Teachers pension grant	-	8,177	(8,177)	-	-
Supplementary Grant	-	24,248	(24,248)	-	-
Other DfE/ESFA grants	-	11,453	(11,453)	-	-
Catch-up premium	1,502	-	(1,502)	-	-
Exceptional government funding	-	28,699	(28,699)	-	-
LA funded statements	-	73,463	(73,463)	-	-
Other government grants	-	13,797	(13,797)	-	-
Restricted catering	-	-	-	-	-
School Funds & Trips	55,179	28,241	(34,046)	-	49,374
Other educational income	-	13,335	(13,335)	-	-
Gifts in Kind	-	4,490	(4,490)	-	-
Other restricted general funds	-	4,394	(4,394)	-	-
	<u>146,747</u>	<u>2,298,370</u>	<u>(2,278,976)</u>	<u>5,217</u>	<u>171,358</u>
<b>Restricted Fixed Asset Funds</b>					
Fixed assets used for charitable purposes	4,634,027	-	(106,294)	10,985	4,538,718
ESFA formula capital	16,394	10,334	(8,609)	(7,780)	10,339
ESFA condition improvement funds	3,586	(407)	(3,179)	-	-
ESFA condition improvement funds	11,760	(5,897)	(5,863)	-	-
Other capital donations	4,146	-	-	(3,205)	941
	<u>4,669,913</u>	<u>4,030</u>	<u>(123,945)</u>	<u>-</u>	<u>4,549,998</u>
<b>Restricted Pension Reserve Funds</b>					
Pension reserve fund	(2,344,000)	-	(76,000)	1,733,000	(687,000)
<b>Total Restricted Funds</b>	<u>2,472,660</u>	<u>2,302,400</u>	<u>(2,478,921)</u>	<u>1,738,217</u>	<u>4,034,356</u>
<b>Unrestricted Funds</b>					
Unrestricted general funds	-	5,217	-	(5,217)	-
Designated school fund	6,459	1,274	(2,299)	-	5,434
Investment bond	-	-	-	-	-
<b>Total Unrestricted Funds</b>	<u>6,459</u>	<u>6,491</u>	<u>(2,299)</u>	<u>(5,217)</u>	<u>5,434</u>
<b>Total Funds</b>	<u>2,479,119</u>	<u>2,308,891</u>	<u>(2,481,220)</u>	<u>1,733,000</u>	<u>4,039,790</u>

Details of transfers are shown in Note 10.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of General Annual Grant (GAG) that it could carry forward at 31 August 2022.

The specific purposes for which the funds are to be applied are as follows:

**General Annual Grant (GAG) fund**

This represents the core funding for the educational activities of the school that has been provided to the academy via the Education and Skills Funding Agency (ESFA).

**Pupil premium fund**

This represents funding paid by the DfE to support disadvantaged students in their teaching and learning, with the aim of improving their attainment and closing the gap with more advantaged students.

**Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)****Teachers pay and pension grants**

Teachers pay grant is provided to support teacher pay awards. Teachers pension grant is provided to support the increase in employer contributions to the Teachers' Pension Scheme from September 2019.

**Catch up premium**

This represents funding paid by the DfE to support pupils and disadvantaged young people catch up on missed education because of coronavirus (COVID-19)

**Defined benefit pension scheme fund**

This represents the deficit on the Local Government Pension Scheme (LGPS) at the year end. For details of the deficit payment plan see the pensions note.

**Local authority funded statements**

This represents funding from the Local Authority to pay for Learning Support Assistants who support the "statemented" special needs students.

**Restricted catering fund**

This relates to the provision of free school meals and hospitality.

**Restricted school funds (including trips)**

This relates to school trips and other activities; monies are held in the academy's "school fund" savings/current bank account.

**ESFA condition improvement funds**

This represents monies from the ESFA in relation to capital projects.

**Fixed assets used for charitable purposes**

This represents the value and movements on Tangible Fixed Assets note.

**Funds in Deficit**

Pension Reserve Fund - this fund represents the deficit on the Local Government Pension Scheme (LGPS) at the year end.

The Academy has entered into an agreement effective from 1 April 2020 to make additional contributions in addition to normal funding levels. It is anticipated that the payments will be made over 13 years from 1 April 2020, including £61,400 for 2020/21, £62,900 in 2021/22 and £64,400 in 2022/23.

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 01-Sep 2020 £	Incoming resources £	Resources expended £	Gains, Losses and Transfers £	Balance at 31-Aug 2021 £
<b>Restricted General Funds</b>					
General Annual Grant (GAG)	7,543	2,019,492	(1,919,697)	(17,272)	90,066
Pupil premium	-	48,634	(48,634)	-	-
Teachers pay grant	-	25,613	(25,613)	-	-
Teachers pension grant	-	72,376	(72,376)	-	-
Other DfE/ESFA grants	-	18,129	(18,129)	-	-
Catch-up premium	-	24,960	(23,458)	-	1,502
Exceptional government funding	-	17,560	(17,560)	-	-
LA funded statements	-	57,236	(57,236)	-	-
Other government grants	-	7,634	(7,634)	-	-
Restricted catering	-	-	-	-	-
School Funds & Trips	43,074	15,010	(2,905)	-	55,179
Other educational income	-	9,453	(9,453)	-	-
Gifts in Kind	-	6,300	(6,300)	-	-
Other restricted general funds	-	4,118	(4,118)	-	-
	<u>50,617</u>	<u>2,326,515</u>	<u>(2,213,113)</u>	<u>(17,272)</u>	<u>146,747</u>
<b>Restricted Fixed Asset Funds</b>					
Fixed assets used for charitable purposes	4,733,799	-	(109,409)	9,637	4,634,027
ESFA formula capital	18,828	10,626	(3,423)	(9,637)	16,394
ESFA condition improvement funds	119,355	-	(115,769)	-	3,586
ESFA condition improvement funds	132,015	-	(120,255)	-	11,760
Other capital donations	-	4,146	-	-	4,146
	<u>5,003,997</u>	<u>14,772</u>	<u>(348,856)</u>	<u>-</u>	<u>4,669,913</u>
<b>Restricted Pension Reserve Funds</b>					
Pension reserve fund	(2,285,000)	-	(59,000)	-	(2,344,000)
<b>Total Restricted Funds</b>	<u>2,769,614</u>	<u>2,341,287</u>	<u>(2,620,969)</u>	<u>(17,272)</u>	<u>2,472,660</u>
<b>Unrestricted Funds</b>					
Unrestricted general funds	-	(17,272)	-	17,272	-
Designated school fund	6,058	1,401	(1,000)	-	6,459
Investment bond	-	-	-	-	-
<b>Total Unrestricted Funds</b>	<u>6,058</u>	<u>(15,871)</u>	<u>(1,000)</u>	<u>17,272</u>	<u>6,459</u>
<b>Total Funds</b>	<u>2,775,672</u>	<u>2,325,416</u>	<u>(2,621,969)</u>	<u>-</u>	<u>2,479,119</u>

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

18. Analysis of Net Assets Between Funds

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	4,538,718	4,538,718
Current assets	5,434	132,070	260,847	398,351
Current liabilities	-	39,288	(249,567)	(210,279)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(687,000)	-	(687,000)
<b>Total Net Assets</b>	<b>5,434</b>	<b>(515,642)</b>	<b>4,549,998</b>	<b>4,039,790</b>

Comparative information in respect of the preceding period is as follows:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	4,634,027	4,634,027
Current assets	6,459	318,037	285,453	609,949
Current liabilities	-	(171,290)	(249,567)	(420,857)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(2,344,000)	-	(2,344,000)
<b>Total Net Assets</b>	<b>6,459</b>	<b>(2,197,253)</b>	<b>4,669,913</b>	<b>2,479,119</b>

19. Long-term commitments, including under operating leases

Operating Leases

At the balance sheet date the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Assets other than land & buildings		
Amounts due within one year	3,413	4,068
Amounts due between one and five years	281	3,694
Amounts due after five years	-	-
	<b>3,694</b>	<b>7,762</b>

Land and property leases

The leasehold land and buildings are subject to a 125 year lease with Appleby Grammar School Foundation. Although a peppercorn rent may be demanded, no such rent has been demanded to date.

The sports centre, which is situated on the Academy's freehold land, is hired from the Appleby Sports Centre (Registered Charity number 1125895). Rent is paid annually and a rental agreement is signed on a yearly basis.

Pension Commitments

The Academy is committed to paying amounts to the Teachers' Pension Scheme in respect of Premature Retirement balances for one former employee. £26 per month, index-linked, is payable in respect of the member / surviving spouse.

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

20. Capital Commitments

	2022	2021
	£	£
Contracted for, but not provided in the financial statements	-	15,346
	<u>-</u>	<u>15,346</u>

21. Members' Liability

Appleby Grammar School is a company limited by guarantee. Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 22. Pension and Similar Obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Your Pension Service (YPS) for Cumbria County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions payable to the schemes at 31 August and included in creditors were as follows:

	2022	2021
	£	£
Teachers' Pension Scheme	25,035	24,919
Local Government Pension Scheme	9,736	10,110
	<u>34,771</u>	<u>35,029</u>

The total pension costs to the academy during the year ended 31 August and included in staff costs were as follows:

	2022	2021
	£	£
Teachers' Pension Scheme	200,482	210,946
Local Government Pension Scheme	87,322	88,912
Local Government Pension Scheme deficit recovery	63,525	62,025
Premature Retirement Teachers Pension Scheme payments	459	2,587
Premature Retirement Local Government Pension Scheme payments	-	-
LGPS current service cost/contributions adjustment	34,000	16,000
	<u>385,788</u>	<u>380,470</u>

### Teachers' Pension Scheme

#### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%



**Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)**

**22. Pensions and Similar Obligations (continued)**

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £200,941 (2021: £213,533).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August were as follows:

	2022	2021
	£	£
Employer's contributions	150,847	150,937
Employees' contributions	28,388	28,752
Total contributions	<u>179,235</u>	<u>179,689</u>

The agreed contribution rates for future years are 20.9% for employers, and 5.5% to 12.5% for employees depending on pay bands.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

At the balance sheet date the scheme is in deficit. The Academy has entered into an agreement effective from 1 April 2020 to make additional contributions in addition to normal funding levels. It is anticipated that the payments will be made over 13 years from 1 April 2020, including £61,400 for 2020/21, £62,900 in 2021/22 and £64,400 in 2022/23.

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

22. Pensions and Similar Obligations (continued)

Local Government Pension Scheme (continued)

The principal actuarial assumptions are:

	At 31 August 2022	At 31 August 2021
Rate of increase in salaries	4.40%	4.20%
Rate of increase for pensions in payment / inflation	3.00%	2.80%
Discount rate for scheme liabilities	4.30%	1.70%
Inflation assumption (CPI)	2.90%	2.70%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 August 2022	At 31 August 2021
<i>Retiring today</i>		
Males	22.6	22.7
Females	25.3	25.3
<i>Retiring in 20 years</i>		
Males	24.1	24.3
Females	27.1	27.2

Sensitivity analysis

The table below, as produced by Mercer sets out the impact of a small change in assumptions on the defined benefit obligation.

	At 31 August 2022		At 31 August 2021	
	Deficit	Change	Deficit	Change
Discount rate + 0.1%	618,000	(69,000)	2,240,000	(104,000)
Discount rate - 0.1%	757,000	70,000	2,450,000	106,000
Mortality assumption - 1 year increase	756,000	69,000	2,506,000	162,000
Mortality assumption - 1 year decrease	619,000	(68,000)	2,187,000	(157,000)
CPI rate + 0.1%	757,000	70,000	2,449,000	105,000
CPI rate - 0.1%	618,000	(69,000)	2,241,000	(103,000)
Pay growth + 0.1%	698,000	11,000	2,361,000	17,000

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

22. Pensions and Similar Obligations (continued)

Local Government Pension Scheme (continued)

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2022 £	Fair value at 31 August 2021 £
Equity instruments		
Equities	911,000	1,086,000
Debt instruments		
Government bonds	385,000	477,000
Other bonds	-	-
Property	263,000	211,000
Cash/liquidity	84,000	105,000
Other	1,068,000	892,000
<b>Total Market Value of Assets</b>	<b>2,711,000</b>	<b>2,771,000</b>
Present value of scheme liabilities		
Funded	(3,398,000)	(5,115,000)
Unfunded	-	-
<b>Surplus / (deficit) in the scheme</b>	<b>(687,000)</b>	<b>(2,344,000)</b>

The actual return on the scheme assets in the year was £(194,000) (2021: £387,000).

None of the fair values of the assets shown above include any of the academy's own financial instruments or any property occupied by, or other assets used by, the academy.

Amounts recognised in the statement of financial activities

	2022 £	2021 £
Current service cost (net of employee contributions)	(186,000)	(167,000)
Net interest cost	(39,000)	(40,000)
Administration expenses	(3,000)	(3,000)
Past service (cost)/gain	-	-
Gain/(loss) on curtailment	-	-
Gain/(loss) on settlement	-	-
<b>Total operating charge</b>	<b>(228,000)</b>	<b>(210,000)</b>

Other recognised gains and (losses)

	2022 £	2021 £
Remeasurements (liabilities)	1,976,000	(345,000)
Remeasurements (assets)	(243,000)	345,000
<b>Total amount recognised in the SOFA</b>	<b>1,733,000</b>	<b>-</b>

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

22. Pensions and Similar Obligations (continued)

Local Government Pension Scheme (continued)

Changes in the deficit in the year:	2022 £	2021 £
Deficit in scheme at 1 September 2021	2,344,000	2,285,000
Current service cost	186,000	167,000
Interest cost	87,000	82,000
Employer contributions	(152,000)	(151,000)
Past service (cost)/gain	-	-
Actuarial (gain)/loss - Remeasurements	(1,733,000)	-
Administration expenses	3,000	3,000
Interest income	(48,000)	(42,000)
Plan introductions, benefit changes, curtailments and settlements	-	-
<b>Deficit at 31 August 2022</b>	<b>687,000</b>	<b>2,344,000</b>
<b>Changes in the present value of defined benefit obligations were as follows:</b>	<b>2022 £</b>	<b>2021 £</b>
At 01 September 2021	(5,115,000)	(4,510,000)
Current service cost	(186,000)	(167,000)
Interest cost	(87,000)	(82,000)
Employee contributions	(29,000)	(28,000)
Past service (cost)/gain	-	-
Actuarial gain/(loss) - Remeasurements	1,976,000	(345,000)
Benefits / transfers paid	43,000	17,000
Plan introductions, benefit changes, curtailments and settlements	-	-
<b>Benefit obligation at 31 August 2022</b>	<b>(3,398,000)</b>	<b>(5,115,000)</b>
<b>Changes in the fair value of Academy's share of scheme assets:</b>	<b>2022 £</b>	<b>2021 £</b>
At 01 September 2021	2,771,000	2,225,000
Interest income	48,000	42,000
Administration expenses	(3,000)	(3,000)
Actuarial gain/(loss) - Remeasurements	(243,000)	345,000
Employer contributions	152,000	151,000
Employee contributions	29,000	28,000
Benefits / transfers paid	(43,000)	(17,000)
Plan introductions, benefit changes, curtailments and settlements	-	-
<b>Scheme assets at 31 August 2022</b>	<b>2,771,000</b>	<b>2,771,000</b>
* Past service cost includes:		
McCloud impact	-	-
GMP indexation	-	-

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

23. Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the period of account:

Related parties

- *Appleby Grammar School Foundation*  
There were four governors - H Taylor, D Watkinson, J Rostron and D Anderton - who acted for the Academy during the year who also acted as a trustee for Appleby Grammar School Foundation. The governors have no equitable interest in either entity.
- *Appleby Sports Centre*  
M Stephenson acted for the Academy during the period and also acted as a trustee for Appleby Sports Centre. The governor has no equitable interest in either entity.
- *The Arts Society - Appleby*  
D Watkinson acted for the Academy during the period and his spouse was a committee member for The Arts Society - Appleby

In entering into the above transactions the academy has complied with the requirements of the ESFA's Academies Financial Handbook.

Related party transactions with staff governors are detailed in an earlier note.

Expenditure Related Party Transactions

- Appleby Grammar School Foundation. The Academy owns a 22kw solar panel system, situated on the 1962 block, which is included in tangible fixed assets. In addition, the Academy owns a 128kw solar panel system, situated on the Appleby Sports Centre, which is included in tangible fixed assets. The Academy benefits from reduced electricity charges and the Foundation receives the Feed-in-Tariff direct from the electricity company.
- Appleby Sports Centre. The Academy paid £16,000 (2021: £3,000) to Appleby Sports Centre for the hire of the sports facility during the period. There was a balance of £Nil (2021: £Nil) due at the period end to Appleby Sports Centre.

Income Related Party Transactions

- Appleby Grammar School Foundation income transactions:

	2022	2021
Donations towards trips and activities.	-	-
Donations towards capital projects	-	-
Other donations received	-	-
	<hr/>	<hr/>

- Appleby Sports Centre. The Academy received lettings income of £Nil (2021: £Nil) from Appleby Sports Centre for the hire of the gym during the period when the sports centre is overbooked. In addition, there was a reimbursement for repairs costs totalling £Nil.

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

23. Related Party Transactions (continued)

Income Related Party Transactions (continued)

- The Arts Society - Appleby. The Academy received a donation of £Nil (2021: £526) from The Arts Society - Appleby during the period

24. Agency Arrangements

The academy acts as an intermediary for the following agency arrangements but has no responsibility for them. The receipts and payments during the period have been excluded from the Statement of Financial Activities. An amount is included in other creditors relating to undistributed funds that are repayable as shown below:

	16-19 ESFA Bursary	The Rural Academy of Cumbria £
Monies brought forward	5,111	9,886
Receipts during the year	7,144	-
Repayment of bursary funds to the ESFA	-	-
Distributions during the year	(7,105)	-
Balance carried forward	<u>5,150</u>	<u>9,886</u>

Comparative information in respect of the preceding period is as follows:

	16-19 ESFA Bursary	The Rural Academy of Cumbria £
Monies brought forward	20,756	9,886
Receipts during the year	6,784	-
Repayment of bursary funds to the ESFA	(20,756)	-
Distributions during the year	(1,673)	-
Balance carried forward	<u>5,111</u>	<u>9,886</u>

16-19 Bursary Fund

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA.

The Rural Academy of Cumbria

This group facilitates closer collaboration between seven small secondary schools spread across Cumbria.

25. Post Balance Sheet Events

The academy has obtained a valuation of its LGPS liability at the year end. However, since the year end with further economic turmoil the trustees believe that the rate of inflation used would be higher if the valuation was to be performed using this information. No allowance has been made by the actuary in the figures provided in line with the accounting requirements for events since the year end and the impact of such movements will emerge as part of the 31 August 2023 figures. The trustees believe obtaining further information of the financial effect on the LGPS liability to the date of approval of the accounts would not assist the users understanding and the assumptions are volatile at present so would not be cost effective for the academy trust.